UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

Cytec Carbon Fibers LLC; Cytec Engineered Materials Inc., Plaintiffs vs. Jonathan Hopkins; R&H Investments, LLC; H&H Construction & Development, Inc.; Scott McAllister; Helm Builders, LLC; Sewell W. Crisman, IV; Carolina Consulting Engineers, Inc.; and Carolina Construction Management Consultant, Defendants.	CASE NO. 2:11-cv-00217-RMG **COMPLAINT** **Jury Trial Demanded**

Plaintiffs Cytec Carbon Fibers LLC and Cytec Engineered Materials Inc. (jointly, "Plaintiffs") bring this action against the above-named defendants (collectively, "Defendants") based on the allegations set forth below.

INTRODUCTION

1. This action arises from a fraudulent embezzlement, bribery and money laundering scheme targeted at construction projects and designed to steal millions of dollars from Plaintiffs and possibly other victims through the submission of inflated payment requests for unnecessary construction-related goods and services and for services that were never performed or even intended to be performed.

2. The central architect of the scheme was defendant Jonathan Hopkins ("Hopkins"), a former employee of Plaintiffs, but the other Defendants, possibly as well as others not currently named herein, actively and consciously participated in the design, implementation and cover-up of the scheme.

3. The scheme was effected through Hopkins' infiltration of Plaintiffs' construction operations and deliberate abuse of Plaintiffs' trust for his own personal financial gain and that of the other Defendants.

4. Hopkins sought and obtained employment with Plaintiffs, for which his responsibilities ultimately included management and oversight of two major construction operations in South Carolina and Texas, respectively. Hopkins sought this employeemnt for the purpose of obtaining influence over and ultimately manipulating for his own benefit Plaintiffs' selection of contractors for the projects and the processes for approval of purchase orders, change orders and payment requests.

5. Hopkins and the other Defendants conspired to carry out a scheme under which Hopkins would use his influence to ensure that the Defendant contractors were retained by Plaintiffs ostensibly to provide goods and services for the construction projects, regardless that the Defendant contractors were in some cases unlicensed and unqualified to provide the goods and services in question and in other cases were not the low bidders or had not even been required to bid against other contractors for the jobs for which they were hired.

6. Once Hopkins had caused Plaintiffs to retain them, the Defendant contractors then submitted fraudulent requests for payment to Plaintiffs for unnecessary goods and services and services that were never performed, and Hopkins ensured that the requests were approved and payments made.

7. In some cases, Hopkins received direct kickbacks from the Defendant contractor in exchange for ensuring that it was hired and paid. In others cases, it appears that Hopkins participated in the creation and ownership of the Defendant contractor (and subsequently benefitted from payments it received), which he never disclosed to Plaintiffs.

8. Importantly, Defendants perpetuated this scheme in the midst of a nationwide collapse in the construction industry. At a time when workforces on jobsites were shrinking dramatically, Hopkins caused Plaintiffs to hire additional vendors to perform unnecessary and redundant services. At a time when sole-source procurement had all but disappeared and contractors were bidding below profit merely to maintain workforces, Hopkins repeatedly caused Plaintiffs to award lucrative sole-source contracts and contracts to non-competitive bidders. Viewed in the context of a nationwide meltdown in the construction industry, the fraudulent nature of Defendants' conduct is glaringly apparent.

9. As will be set forth in greater detail below, Defendants treated Plaintiffs' construction projects as a slush fund, which they were able to bilk at will thanks to Hopkins' infiltration of Plaintiffs' operations for the purpose of perpetrating the scheme and his willful abuse of Plaintiffs' trust. Defendants' actions subject them to liability as outlined in the following paragraphs.

THE PARTIES

10. Plaintiff Cytec Carbon Fibers LLC ("CCF") is a limited liability company organized under the laws of the State of Delaware, whose sole member is Cytec Industries Inc., a corporation organized under the laws of the State of Delaware with its principal place of business located in Woodland Park, New Jersey.

11. The plaintiff Cytec Engineered Materials Inc. ("CEM") is a corporation organized under the laws of the State of Delaware with its principal place of business located in Tempe, Arizona.

12. Upon information and belief, defendant Hopkins is a resident of Spartanburg, South Carolina.

13. Defendant R&H Investments, LLC ("R&H Investments") is a limited liability company organized and existing under the laws of the State of South Carolina. Upon information and belief, the sole member of R&H Investments is Hopkins, a resident of the State of South Carolina.

14. Defendant H&H Construction & Development, Inc. ("H&H Construction") is a corporation organized and existing under the laws of the State of South Carolina. Upon information and belief, the sole member of H&H Construction is also Hopkins.

15. Upon information and belief, defendant Sewell W. Crisman, IV ("Crisman") is a resident of Charleston County, South Carolina.

16. Defendant Carolina Consulting Engineers, Inc. ("CCE") is a corporation organized and existing under the laws of the State of South Carolina with its principal place of business located in Charleston, South Carolina. Upon information and belief, the principals of CCE are Crisman and John J. Perryman ("Perryman").

17. Defendant Carolina Construction Management Consultant ("CCMC") is an unincorporated association with its principal place of business in Spartanburg, Greenville, or Charleston, South Carolina. Upon information and belief, the principals of CCMC are Hopkins and Crisman.

18. Upon information and belief, defendant Scott McAllister ("McAllister") is a resident of Apex, North Carolina.

19. Defendant Helm Builders, LLC ("Helm") is a limited liability company organized and existing under the laws of the State of North Carolina with its principal place of business located in Apex, North Carolina. Upon information and belief, the members of Helm are McAllister and Vincent Tryer ("Tryer"), who are both residents of North Carolina.

JURISDICTION AND VENUE

20. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331 because the Complaint states claims arising under the laws of the United States. The Court also has jurisdiction over the claims stated under South Carolina law pursuant to 28 U.S.C. § 1367.

21. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332 because the matter is between citizens of different states and the amount in controversy exceeds $75,000, exclusive of interests and costs.

22. Venue is proper in this Court pursuant to 18 U.S.C. § 1965 and 28 U.S.C. 1391 in that multiple Defendants reside in this judicial district and the majority of the acts and omissions giving rise to this action occurred in this district.

FACTUAL ALLEGATIONS

Plaintiffs and the Construction Projects

23. Plaintiffs are affiliates of Cytec Industries Inc., a global specialty chemicals and materials company focused on developing, manufacturing and selling value-added products, including aerospace, adhesive, automotive and industrial coatings, chemical intermediates, inks, mining and plastics.

24. As part of these operations, CCF operates a carbon fiber manufacturing facility located in Greenville, South Carolina (the "South Carolina Facility").

25. In 2006, CCF began planning to expand the South Carolina Facility, including the addition of four primary structures associated with process equipment (the "GP3 Project"). These structures were designated as the Spinning Building, the Polymerization Building, the Recovery Building, and the Oxidation/Carbonization Building (the "Ox-Carb Building").

26. Construction began in 2007 and, as of December 31, 2010, approximately $158 million had been spent on the GP3 Project.

27. While the GP3 Project was already underway, CEM began construction on what is known as the Glassline Project. The purpose of the Glassline Project is, among other things, to support CEM's installation of a glass prepeg line for one of its customers at CEM's facility located in Greenville, Texas. The construction work at issue involved erection of a pre-engineered building to house CEM's operations.

28. The Glassline Project is still ongoing, and approximately $13.5 million had been spent on construction as of December 31, 2010.

Hopkins

29. In 2007, Hopkins sought employment with CCF in anticipation of working on the GP3 Project, which at the time was still in the planning phase. CCF ultimately hired Hopkins on May 29, 2007, and made him project engineering leader for the GP3 Project.

30. At the time he was hired by Cytec, Hopkins was the principal of several companies, including R&H Investments and H&H Construction.

31. H&H Construction was an entity through which Hopkins had purchased an expensive lot in Charleston, South Carolina. At the time Hopkins was hired by CCF, H&H Construction was in financial difficulty and unable to repay a mortgage on the property held by Branch Banking & Trust Co., which was threatening foreclosure.

32. During this same period, Hopkins was also experiencing personal financial difficulties due to mounting debts which he had no ability to repay.

33. Upon information and belief, Hopkins sought employment with CCF for the purpose of using his position to perpetrate the fraudulent scheme described herein for his

own personal gain, including for the purpose of alleviating his personal financial difficulties and those of his struggling businesses.

34. Immediately upon obtaining employment with CCF, Hopkins began using his influence with his superiors to cause CCF to hire contractors with whom he had pre-existing relationships in furtherance of the scheme.

35. CCF had retained the national firm CH2M Hill ("Hill") to perform engineering and procurement services for the GP3 Project, O'Neal Constructors ("O'Neal") to serve as construction managers, and Faithful & Gould ("F&G") to perform controls work. One purpose of retaining these entities was to ensure that the contractors retained on the project were qualified, performed their work in accordance with their agreements and industry standards, and invoiced CCF only for goods and services that were necessary and that had actually been provided to CCF.

36. However, because these entities effectively reported to Hopkins and his immediate superior, Charles Bolt ("Bolt"), Hopkins was able to neutralize their ability to serve as independent checks on the contracting and payment processes and to manipulate these processes for his own benefit and that of the other Defendants.

37. For example, although Hill was supposed to pre-qualify all contractors for bidding on the GP3 Project, Hopkins insisted on adding to the list his own proposed contractors, who had not been pre-qualified, and was often able to ensure that his favored contractor was selected, despite the fact that – at least in the case of CCMC – the contractor lacked proper licensure or insurance.

38. In mid-2009, Hopkins moved from the GP3 Project into a similar role at the Glassline Project, which presented Hopkins and his conspirators with additional opportunities

to perpetrate the scheme. Hopkins ensured that the Defendant contractors were also retained in connection with the Glassline Project and that their invoices were approved for payment.

39. Hopkins remained an employee with Plaintiffs and continued to perpetrate the scheme with the other Defendants until August 2010, when his employment was terminated in the wake of Plaintiffs' discovery of the fraud.

CCE/CCMC

40. Hopkins initially caused Cytec to hire CCE, a company owned by Defendant Crisman and Perryman, to perform geotechnical exploration and soil testing in connection with the GP3 Project.

41. Crisman and Hopkins had known each other since the early 1990s and were close friends. In addition, they had worked on several prior construction-related projects, including the Hubble Lighting corporate headquarters in Greenville, South Carolina, a project for which Hopkins was construction manager and in that capacity hired Crisman as a contractor for the project.

42. Within several months of being hired by CCF, Hopkins was playing a central role in managing the GP3 Project and obtained substantial influence over his immediate superior Bolt, who had only recently been hired and relied extensively upon Hopkins in connection with matters relating to the hiring of contractors and approval of their purchase orders, change orders and requests for payment. Hopkins and his co-conspirators therefore took the opportunity presented by these circumstances to advance their scheme.

43. In early 2008, Crisman, Hopkins and possibly other participants formed a sham company, CCMC, for the purpose of having Hopkins cause CCF to retain the company for the GP3 Project and subsequently defrauding CCF through the submission of invoices for

unnecessary or non-existent services. Although Hopkins and Crisman represented to CCF that CCMC was owned solely by Crisman, as set forth below Hopkins conspired in the company's creation and personally benefitted from its employment in the fraud.

44. In February 2008, Crisman and Hopkins filed a name reservation with the South Carolina Secretary of State's office for CCMC, and Hopkins personally applied for and obtained the company's federal employer identification number. Ultimately, however, CCMC was never established as a legal entity and never obtained licensure or insurance to perform the construction management services for which Hopkins caused CCF to hire the company.

45. With Crisman's knowledge and participation, Hopkins personally created a phony Scope of Work proposal and quote dated February 12, 2008, in which CCMC offered to provide construction management and other services in connection with the GP3 Project in exchange for a monthly payment of $60,000 for 24 months, for a total initial contract amount of $1,440,000. The CCMC Scope of Work proposal is attached hereto as **Exhibit A**.

46. Hopkins then forwarded the proposal via email to Bolt, F&G and CCF procurement. In doing so, Hopkins intended to and in fact did create the impression that he had received the proposal from a legitimate third-party who was qualified to provide the services described in the proposal.

47. With these and other intentional misrepresentations, Hopkins caused Bolt to approve CCF's hiring of CCMC. The initial purchase order from CCF to CCMC dated February 20, 2008, states that it was requested by Hopkins and approved by Bolt. The initial Purchase Order is attached as **Exhibit B**.

48. After he transitioned to management of the Glassline Project, Hopkins also ensured that CCMC was hired by CEM in connection with that project as well.

49. Hopkins caused Plaintiffs to retain CCMC on these projects despite the fact that he was aware CCMC was not a legal entity, was uninsured, and did not hold a business license or a license to perform construction management services as required by South Carolina and Texas law.

50. Beginning on March 5, 2008, Hopkins and Crisman caused CCMC to invoice CCF $60,000 per month for unnecessary or non-existent services. A summary of the CCMC Invoices to Plaintiffs and the invoices themselves are attached hereto as **Exhibit C**.

51. While CCMC was allegedly hired to perform "construction management services" for the GP3 Project, it submitted invoices totaling nearly $1,000,000 during the same time period in which O'Neal was serving as the construction manager for the same project, such that to the extent CCMC was actually performing *any* services at all during this time, those services were patently redundant and unnecessary.

52. Several of the CCMC invoices to Plaintiffs apparently originated from Hopkins and were forwarded via email from Hopkins to Crisman (rather than from Crisman to Hopkins as would presumably be the case if Crisman were indeed the sole principal of the company) prior to their submission from CCMC to CCF for payment.

53. The invoices from CCMC contain vague and general descriptions of the services for which payment was sought, referring merely to "labor and materials" provided, and include no supporting documentation, such as timesheets for the individuals who worked on the project during a given invoice period.

54. The amounts invoiced by CCMC varied from time to time as a result of the additional purchase orders and change orders submitted to Plaintiffs. Like the invoices, the purchase orders and change orders contain minimal descriptions of the work being performed,

often referring merely to "site services" or "construction management services" and vaguely directing CCMC to "coordinate work activities with Jonathan Hopkins."

55. The address for CCMC shown on its invoices, purchase orders and change orders has been identified as a United Parcel Service mailbox located in Greenville, SC, which upon information and belief is owned by Hopkins, not Crisman. Regardless of the ownership, Hopkins indisputably used the same mailbox in connection with his various businesses and in furtherance of other aspects of the scheme, as discussed below. By contrast, the invoices to CCF from CCE, for which Crisman is also a principal, list a company address located in Charleston, where Crisman resides.

56. Upon receipt of invoices from CCMC, Hopkins either approved the invoices personally or caused them to be approved by others at CCF and/or Hill for payment.

57. Between March 2008 and October 2010, CCMC invoiced Plaintiffs for a total of $2,790,989 and was ultimately paid a total of $2,438,989 in connection with the GP3 Project and the Glassline Project.

58. While it is customary practice in the industry for construction managers to submit daily reports detailing the work performed, CCMC submitted no such reports during the entire period for which it invoiced CCF, an indication that little or no substantive work was actually performed.

59. Upon information and belief, CCMC has never performed services for any customer other than Plaintiffs, and has never had an office or conducted any legitimate business activity. Rather, Crisman and Hopkins created the company for the sole purpose of defrauding Plaintiffs and concealing their fraud through the acts described herein.

Helm Builders

60. As with Crisman, Hopkins also conspired with McAllister, an owner of Helm, to manipulate his position with Plaintiffs for his own personal gain and that of other Defendants.

61. Hopkins, McAllister, Helm and other participants as may be revealed in discovery concocted a scheme under which Hopkins initially would use his influence to cause CCF to hire Helm as a contractor on the GP3 Project, despite the fact that Helm's prior construction experience consisted primarily of projects involving the erection of hotels and Walmart stores. In exchange, McAllister agreed to cause Helm to pay a kickback to Hopkins in the total amount of $120,000, along with other remuneration.

62. The conspirators further agreed that Helm would recoup the kickbacks paid to Hopkins through fraudulent invoices and change orders submitted by Helm to CCF, for which Hopkins would ensure approval and payment. Under the scheme, Hopkins would receive 90% of the $120,000 kickback upon approval of certain fraudulent invoices and change orders and would receive the remaining 10% upon Helm's receipt of its final 10% retainage payment under its construction contract with CCF.

63. When the scheme was developed, Hopkins had known McAllister and Helm for years. They had worked together on prior construction projects, and Hopkins had even solicited McAllister's help with his personal financial difficulties.

64. In accordance with the scheme, Hopkins caused CCF to award Helm a contract dated December 9, 2008, to perform concrete work for the GP3 Ox-Carb Building for an initial contract sum of $1,604,758 (the "Ox-Carb Contract").

65. Helm had submitted two bids for the Ox-Carb concrete job on November, 18, 2008 and December 1, 2008. Helm's first bid was the third highest of four bidders, and its revised bid was the highest bid submitted for the work.

66. Despite being the highest bidder, Helm was awarded the Ox-Carb Contract because Hopkins used his influence to ensure Helm was hired. To this end, Hopkins approved a request for purchasing waiver dated December 3, 2008, in which he justified paying a premium to Helm on the basis that the completion date set forth in Helm's bid was the earliest of the three bids. Helm's completion date, however, was merely 11 business days earlier than that projected by the contractor who submitted lowest bid, and the completion dates for all bidders were approximately 1 month ahead of CCF's target completion date for the concrete work. Thus, the ostensible basis for paying a premium to Helm was merely a sham concocted by the conspirators to disguise the fraud.

67. After obtaining the Ox-Carb Contract, Helm subsequently issued three change orders to the contract totaling $1,097,915, thereby increasing the cost of the contract to $2,702,064, a 53% overrun of the original $1,764,834 budget.

68. Change Order 1 was issued on February 19, 2009, for $234,077, allegedly for various changes to the concrete slab-on-grade in certain zones of the Ox-Carb Building. Change Order 1 included $12,527 for 13 days of extended time although both the Modification Change Directive ("MCD") and the Subcontract Change Order ("SCO") state that no additional time was approved for the work described in Change Order 1. Hopkins personally approved Change Order 1 and signed the MCD and SCO along with the construction manager O'Neal.

69. Change Order 2 was issued on February 24, 2009, for $263,550 for miscellaneous changes included in the Issued for Construction ("IFC") drawings for the Ox-Carb

Building. As with Change Order 1, Hopkins personally approved Change Order 2 and signed the MCD and SCO along with the construction manager O'Neal.

70. Change Order 3 was issued on April 29, 2009, for $600,288, of which $598,059 allegedly related to various changes in the concrete in Zone 3 of the Ox-Carb Building. The MCD and SCO associated with the changes were signed by Hopkins only without third-party review by O'Neal or F&G.

71. In May 2009, CCF requested bids for architectural fit-out work for both the Spinning Building and the Ox-Carb Building. Helm's bid of $1,459,406 was the highest of the three bidders and was approximately $269,000 higher than the remaining two bids, which were merely $461 apart, a difference of less than .1%.

72. Despite the fact that the lower two bids were so close to each other – a very strong indication that the proposed work was correctly bid – Hopkins, in this case with assistance from Crisman, convinced his superiors at CCF to split the bids in order to ensure that Helm would be awarded at least a portion of the work.

73. Because of the efforts of Hopkins and Crisman, Helm was awarded the fit-out work for the Ox-Carb Building while another contractor received a contract for the fit-out work for the Spinning Building. The net cost to CCF of the architectural fit-out work for both buildings after separating the original bid package was $1,703,275, which is more than $500,000 greater than the lower two initial bids for both buildings.

74. Helm's bid on the architectural fit-out work for the Ox-Carb Building in the amount of $1,064,758 was ultimately submitted as Change Order 4 to the Ox-Carb Contract. As with Change Order 3, the MCD and SCO associated with Change Order 4 were signed by Hopkins only without third-party review by O'Neal or F&G.

75. Two days after Helm submitted Change Order 1 to the GP3 Contract, McAllister and Tryer, the owners of Helm, took Hopkins on an extravagant hunting trip to Mexico.

76. Upon information and belief, the lodging for the trip alone cost approximately $25,000. Helm paid all of Hopkins' expenses in connection with the trip, including airfare and lodging. When questioned about expenses related to the trip by Helm's controller, Michael Grissom ("Grissom"), McAllister explained that Helm would recoup the cost of the trip through payment requests submitted to CCF under the Glassline Contract.

77. In the week following CCF's approval of Change Order 3 to the GP3 Contract, Hopkins issued an invoice and request for payment from R&H Investments (an entity owned solely by Hopkins) to Helm in the amount of $108,000, ostensibly for "construction management services."

78. In fact, R&H Investments never provided construction management services to Helm, and the invoice and request for payment merely represented the conspirators' attempt to disguise Helm's forthcoming payment of 90% of the $120,000 kickback agreed to by the conspirators. The invoice and request for payment are attached hereto as **Exhibit D**.

79. The address for R&H Investments that appears on the request for payment is the same UPS mailbox address that appears as the company address on the invoices from CCMC, the contractor referenced above that was allegedly owned solely by Crisman but was in fact created by Hopkins and Crisman to perpetrate the fraud.

80. On May 15, 2009 – two days after Hopkins approved Helm's Change Order 4 to the Ox-Carb Contract related to the architectural fit-out work – Helm issued check #11650 to R&H Investments in the amount of $108,000, representing payment of 90% of the

$120,000 kickback agreed to by Hopkins and McAllister. Check #11650 is attached hereto as **Exhibit E**.

81. Hopkins subsequently issued a second request for payment dated October 1, 2009, for the remaining $12,000 of the $120,000 kickback. On February 18, 2010 – after Hopkins had also ensured that Helm was hired for the Glassline Project – Helm issued check #13344 in the amount of $12,000 to R&H Investments. The Request for Payment and Check #13344 are attached hereto as **Exhibit F**.

82. By late 2009, Hopkins had transitioned to a construction management role for CEM in connection with the Glassline Project located in Texas, functioning in much the same way he previously had for CCF with respect to the GP3 Project.

83. In this capacity, Hopkins caused CEM in December 2009 to award a contract for site work and erection of a pre-engineered building to Helm (the "Glassline Contract"). The initial contract amount was $350,000, but it was expected to and did in fact increase to $2,485,000 with the issuance of Change Order 1 on February 24, 2010.

84. The Glassline Contract was not competitively bid, but rather was awarded to Helm as a sole-source procurement. Hopkins personally presented his immediate superior Bolt with Helm's proposal for the Glassline job and convinced him that Helm's sole-source procurement was justified, though it plainly was not given that Helm had little if any process/industrial construction experience of the type involved on the Glassline Project and was completely unfamiliar with the subcontractor market in Texas (making it difficult to quickly identify cost-effective subcontractors).

85. Moreover, it is well known in the construction industry that introduction of a second and third bidder potentially reduces the overall bid amount by 4% to 6%,

respectively. Thus, particularly given the depressed market for construction-related goods and services at the time, CEM clearly could have obtained a substantially lower contract amount through a competitive bid process among local general contractors with experience with the particular type of project involved.

86. Additionally, the approximately 11% fee and 18% general conditions amounts awarded to Helm in the Glassline Contract grossly exceeded industry norms.

87. Further, Helm failed to submit supporting documentation for the costs invoiced to CEM as required under the cost-plus contract. Upon information and belief, as part of the scheme, Helm invoiced CEM for costs that were unreasonable and unallowable, while Hopkins assured that Helm nevertheless was paid in full.

88. The invoices and change orders submitted by Helm and described above contain charges for unnecessary and/or non-existent goods and services and were intended to and did in fact induce Plaintiffs to make payment to Helm to Plaintiffs' detriment.

89. In all, Plaintiffs paid Helm $3,700,927 in connection with the GP3 Project and $1,926,121 in connection with the Glassline Project. A summary of payments to Helm is attached hereto as **Exhibit G**.

90. Not only were the amounts paid to Helm under the GP3 Contract and Glassline Contract the result of Defendants' fraud, but the payments also exceeded the amounts due under the contracts, and Plaintiffs are therefore entitled to a refund of the amount of the overpayments apart from the amount to which Plaintiffs are entitled to recover in connection with Defendants' fraudulent scheme.

91. Additionally, with each payment application to Plaintiffs, Helm was required to and did in fact represent via affidavit that it had paid its subcontractors for the work

for which Helm sought payment from Plaintiffs. In fact, upon information and belief, Helm failed to pay subcontractors for work performed on the GP3 and Glassline Projects, and at least one subcontractor has already sought payment directly from Plaintiffs.

92. Plaintiffs' investigation into the scheme described herein is continuing, and Plaintiffs reserve the right to amend this Complaint to add additional facts, defendants and causes of action as discovery proceeds.

FOR A FIRST CAUSE OF ACTION
(Fraud)
(Against Hopkins, Crisman, CCE, CCMC, McAllister, and Helm)

93. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

94. Defendants knowingly engaged in the various deceitful means, enumerated above and below, to induce Plaintiffs to give them money.

95. More specifically, Defendants made numerous misrepresentations to Plaintiffs, as set forth above and below, over the course of a three-year period from 2007 to 2010. Most of the misrepresentations were explicit statements made to Plaintiffs in order to convince Plaintiffs to hire Defendants in connection with the construction projects or make Plaintiffs believe that the construction-related goods and services for which payment was sought were necessary and had been provided.

96. Defendants also made material omissions of fact which they had a duty to disclose during the same period, as set forth above and below. Defendants omitted these facts, such as Hopkins' personal interest in seeing that CCMC and Helm were hired and paid by Plaintiffs, in order to conceal their fraudulent scheme.

97. Misrepresentations made to Plaintiffs by Defendants in furtherance of the scheme include without limitation:

a. Hopkins, Crisman, CCE and CCMC misrepresented that CCMC was a legitimate entity qualified and licensed to perform the work for which it was hired. These representations were made in person and by means of the mails and wires in the form of proposals, purchase orders, correspondence and oral statements by Hopkins and Crisman to Hopkins' superiors for the purpose of causing Plaintiffs to hire CCMC on the GP3 and Glassline Projects.

b. Hopkins, Crisman, McAllister, CCMC and Helm failed to disclose to Plaintiffs that Hopkins had a conflict of interest in seeking to have Plaintiffs hire Defendants in that Hopkins received money and other remuneration from Helm and CCMC (the latter of which Hopkins also helped to create) in exchange for causing Plaintiffs to hire Defendants and approve their payment requests.

c. Crisman, McAllister, CCMC and Helm submitted false bids and/or proposals to provide construction-related goods and services. In the case of CCMC, the proposals set forth a description of services that Hopkins and Crisman knew CCMC would never provide. In the case of Helm, McAllister intentionally inflated the bids, confident in the knowledge that Hopkins would ensure Helm was hired regardless of whether other contractors submitted lower bids. These misrepresentations were submitted from the Helm office in Apex, North Carolina and from Crisman at various locations in South Carolina (though the initial CCMC proposal appears to have originated from Hopkins) to Plaintiffs' offices in South Carolina and Texas by means of the mails and wires.

d. Hopkins misrepresented to his superiors and Plaintiffs' agents that CCMC and Helm should be hired over other contractors by concocting false justifications for hiring these companies under sole-source procurement and/or selecting them when they were not the low bidder. Hopkins made these misrepresentations in person and via the mails and wires from his offices in South Carolina and Texas.

e. Periodically between 2007 and 2010, Hopkins, Crisman, McAllister, CCMC and Helm submitted inflated invoices and change orders for unnecessary or non-existent goods and services to Plaintiffs through the mails and wires. These misrepresentations were submitted from the Helm office in Apex, North Carolina and from Crisman at various locations in South Carolina (though several of the CCMC invoices originated from Hopkins) to Plaintiffs' offices in South Carolina and Texas by means of the mails and wires.

f. Upon receipt of the inflated invoices and change orders, Hopkins intentionally misrepresented to his superiors and/or Plaintiffs' agents Hill, O'Neal, and F&G that payment to CCMC and Helm in the amount requested was justified. Hopkins also actively sought to prevent his superiors and/or Plaintiffs' agents Hill, O'Neal and F&G from reviewing the invoices and change orders to ensure that payment was justified. Hopkins made these misrepresentations in person and via the mails and wires from his offices in South Carolina and Texas.

g. To induce Plaintiffs to pay invoices, Helm represented via affidavit that it had paid its subcontractors when, upon information and belief, some of Helm's subcontractors remained unpaid for work performed on the GP3 and Glassline Projects.

98. The Defendants who made the misrepresentations to Plaintiffs acted as agents for the other Defendants.

99. Defendants knew that these misrepresentations to Plaintiffs were false at the time they were made, or they acted in reckless disregard for their truth. For instance, Hopkins and Crisman knew that CCMC performed little or no substantive work to justify the monthly invoices it submitted to Plaintiffs. Helm likewise knew that its invoices and change orders were inflated in order to recoup the kickbacks it had paid to Hopkins in order to obtain work on the GP3 and Glassline Projects.

100. The misrepresentations made to Plaintiffs by Defendants were material in that, if Plaintiffs had known of their falsity, Plaintiffs would not have paid Helm and CCMC's invoices and, indeed, would never have hired them in the first place. Instead, Plaintiffs would have hired other contractors to perform the work actually completed by Defendants and would not have overpaid for construction goods and services or paid for work that was never performed.

101. Defendants intended that Plaintiffs rely upon their misrepresentations. Indeed, the entire purpose of the scheme and the misrepresentations it entailed were to induce

Plaintiffs to hire Helm and CCMC and make payments in the amounts requested for unnecessary or non-existent services.

102. Until the fraud was discovered in July 2010, Plaintiffs were ignorant of the falsity of Defendants' misrepresentations and unaware of their omissions. Defendants actively sought to conceal the truth regarding their schemes through the use of sham companies (e.g. CCMC) and falsified documentation (e.g. R&H Investment invoices for "construction management services" to Helm), and Plaintiffs trusted that their employee Hopkins would act in Plaintiffs' best interests.

103. Plaintiffs relied on Defendants' misrepresentations described above in hiring CCMC and Helm in connection with the GP3 and Glassline Projects and in paying their invoices.

104. Plaintiffs had a right to rely on the representations of Defendants, particularly given that Plaintiffs' own employee, in whom they placed their trust, conspired with the other Defendants to actively conceal the truth from Plaintiffs and cause them to hire and pay Defendants to their detriment.

105. As a result of Defendants' fraudulent scheme, Plaintiffs have suffered actual damages in an amount to be determined, including but not limited to the following categories:

a. Payment for unnecessary construction-related goods and services performed by Helm and CCMC;

b. Payment for constructed-related goods and services that were never performed but for which Helm and CCMC invoiced Plaintiffs;

c. Overpayment for construction-related goods and services on contracts that should have been competitively bid and/or awarded to parties other than Helm and CCMC;

d. Payment of unsupported costs invoiced by Helm under the Glassline Contract that were not incurred by Helm;

e. Payments to subcontractors that Helm represented it had paid; and

f. Attorneys' fees and costs of this action.

FOR A SECOND CAUSE OF ACTION
(Constructive Fraud)
(Against Hopkins)

106. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

107. Plaintiffs' specifically plead the same allegations in support of their First Cause of Action for fraud above and additionally assert that Hopkins stood in a confidential or fiduciary relationship with Plaintiffs as their employee and manager of their construction projects.

108. To the extent that the Court determines that Hopkins lacked the intention to deceive in committing the actions described in support of Plaintiffs' cause of action for fraud, Hopkins is liable to Plaintiffs for constructive fraud.

FOR A THIRD CAUSE OF ACTION
(Violation of Racketeer Influenced and Corrupt Organizations Act "RICO")
(Against Hopkins, Crisman, CCMC, CCE, McAllister, Helm and R&H Investments)

109. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

110. Upon information and belief, Hopkins, Crisman, CCMC, CCE, McAllister, Helm and R&H Investments, along with others not yet determined, were associates of an organization whose members engaged in, among other things, wire fraud, mail fraud, money laundering, bribery, and conspiracy to commit wire fraud, mail fraud, money laundering, and bribery. At all relevant times, this organization operated in the District of South Carolina and elsewhere.

111. These individuals and entities together formed and were a part of an "enterprise" as defined in 18 U.S.C. § 1961(4), (the "Enterprise") in that they constituted a group associated in fact.

112. The Enterprise maintained a common purpose including, but not limited to, enriching the members of the Enterprise through, among other things, fraudulently inducing third parties to hire them in connection with construction projects and subsequently inducing the victims to pay inflated amounts for construction-related goods and services and to pay for unnecessary or non-existent goods and services.

113. Upon information and belief, the members of the Enterprise have relationships that extend back into the 1990s through prior business relationships on other construction jobs.

114. Upon information and belief, the Enterprise began long before 2007, when Hopkins was hired by CCF, and may still be continuing to this day.

115. Upon information and belief, the Enterprise described herein engaged in, transacted in, and affected interstate commerce.

116. Defendants violated 28 U.S.C. § 1962(c) in that, while associated with the Enterprise, they engaged the affairs of the Enterprise through a pattern of racketeering activity, primarily by making misrepresentations to Plaintiffs by means of the mails and wires and establishing sham companies to conceal the fraud. Defendants committed multiple unlawful predicate acts constituting mail fraud, wire fraud, bribery, and money laundering, including without limitation the following actions:

a. Hopkins, Crisman, CCE and CCMC misrepresented that CCMC was a legitimate entity qualified to perform the work for which it was hired when, in fact, CCMC was not even an entity, was uninsured and unlicensed. These representations were made in person and by means of the mails and wires by Hopkins and Crisman to Hopkins' superiors for the purpose of causing Plaintiffs to hire CCMC on the GP3 and Glassline Projects.

b. In May 2009 and February 2010, Helm and McAllister paid bribes to Hopkins in order to ensure Helm was hired by Plaintiffs and its fraudulent change orders and requests for payment approved. In February 2009, Helm and McAllister further bribed Hopkins for the same purpose by carrying him on an all-expense paid hunting trip to Mexico.

c. Hopkins, Crisman, McAllister, CCMC and Helm failed to disclose to Plaintiffs that Hopkins had a conflict of interest in seeking to have Plaintiffs hire Defendants in that Hopkins received money and other remuneration from Helm and CCMC (the latter of which Hopkins also apparently helped to create) in exchange for causing Plaintiffs to hire Defendants.

d. Crisman, McAllister, CCMC and Helm submitted false bids and/or proposals to provide construction-related goods and services. In the case of CCMC, the proposals set forth a description of services that Hopkins and Crisman knew CCMC would never provide. In the case of Helm, McAllister intentionally inflated the bids confident in the knowledge that Hopkins would ensure Helm was hired regardless of whether other contractors submitted lower bids. These misrepresentations were submitted from the Helm office in Apex, North Carolina and from Crisman at various locations in South Carolina (although the initial CCMC proposal appears to have originated from Hopkins) to Plaintiffs' offices in South Carolina and Texas by means of the mails and wires.

e. Hopkins misrepresented to his superiors and Plaintiffs' agents that CCMC and Helm should be hired over other contractors by concocting false justifications for hiring these companies under sole-source procurement and/or selecting them when they were not the low bidder. Hopkins made these misrepresentations in person and via the mails and wires from his offices in South Carolina and Texas.

f. Periodically between 2007 and 2010, Hopkins, Crisman, McAllister, CCMC and Helm submitted inflated invoices and change orders for unnecessary or non-existent goods and services to Plaintiffs through the mails and wires. These misrepresentations were submitted from the Helm office in Apex, North Carolina and from Crisman at various locations in South Carolina (although several of the CCMC invoices originated from Hopkins) to

Plaintiffs' offices in South Carolina and Texas by means of the mails and wires.

g. Upon receipt of the inflated invoices and change orders, Hopkins intentionally misrepresented to his superiors and/or Plaintiffs' agents Hill, O'Neal and F&G that payment to CCMC and Helm in the amount requested was justified. Hopkins also actively sought to prevent his superiors and/or Plaintiffs' agents Hill, O'Neal and F&G from reviewing the invoices and change orders to ensure that payment was justified. Hopkins made these misrepresentations in person and via the mails and wires from his offices in South Carolina and Texas.

h. To induce Plaintiffs to pay invoices, Helm represented that it had paid its subcontractors when, upon information and belief, some of Helm's subcontractors remain unpaid for work performed on the GP3 and Glassline Projects. These misrepresentations were submitted from the Helm office in Apex, North Carolina to Plaintiffs' offices in South Carolina and Texas by means of the mails and wires.

i. Defendants created sham entities, such as R&H Investments and CCMC to perpetrate and conceal their fraudulent schemes. Specifically, Defendants engaged in money laundering by employing R&H Investments to disguise the $120,000 in payments from Helm to Hopkins.

117. The racketeering activities described above were carried out with a same or similar purpose – bilking funds from construction project budgets and concealing the fraud through sham companies and falsified documents – and the same methods of commission – infiltration of the victim and use of the insider to cause the victim to retain contractors and approve their fraudulent payment requests.

118. The racketeering activities described above extended over a long period of time. At a minimum, the activities extended over a three-year period from 2007 to 2010 and would have continued indefinitely into the future but for Plaintiffs' detection of the fraud. Indeed, the Glassline Project is still ongoing and Plaintiffs and their affiliate entities have

additional construction projects on the horizon, with which Hopkins would have been involved but for the recent termination of his employment.

119. Upon information and belief, the Defendants have previously engaged in the type of illegitimate, fraudulent and illegal activities of which Plaintiffs complain, directed at other entities and individuals, who likewise have been defrauded and suffered losses. As discovery will demonstrate, the pattern of racketeering activity constitutes Defendants' regular way of conducting business.

120. In addition, the nature of Defendants' predicate acts – bribery, money laundering and commandeering the procurement and payment processes of construction projects in order to defraud the customer – inherently poses a continued threat of long-term racketeering activity.

121. Upon information and belief, Defendants also violated 28 U.S.C. § 1962(d) in that, while associated with the Enterprise, they conspired together to engage in the affairs of the Enterprise through the pattern of racketeering activity described above.

122. The violations of RICO set forth above were the cause in fact and proximate cause of damage to Plaintiffs' business and property.

FOR A FOURTH CAUSE OF ACTION
(Violation of The South Carolina Unfair
Trade Practices Act, S.C. Code Ann. § 39-5-10 *et. seq*)
(Against Hopkins, Crisman, CCMC, CCE, McAllister, and Helm)

123. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

124. Defendants' acts and omissions alleged above represent unfair and deceptive acts and practices in the conduct of trade or commerce. These actions were intended to and in fact had the effect of deceiving Plaintiffs, and were immoral, unethical and oppressive.

125. Upon information and belief, Defendants have previously engaged in the type of illegitimate, fraudulent and illegal activities of which Plaintiffs complain, directed at other entities and individuals, who likewise have been defrauded and suffered losses.

126. Defendants have in the past had the opportunity to engage in similar conduct to that described herein and will have such opportunity in the future, such that the conduct is capable of repetition.

127. Plaintiffs have suffered an ascertainable loss of money as a result of Defendants' conduct described herein.

128. Defendants' commission of the unfair and deceptive practices described herein was willful and knowing, thereby entitling Plaintiffs to recovery of treble damages.

FOR A FIFTH CAUSE OF ACTION
(Negligent Misrepresentation)
(Against Hopkins, Crisman, CCE, CCMC, McAllister, and Helm)

129. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

130. Defendants had a pecuniary interest in obtaining employment and construction contracts with Plaintiffs and in submitting and approving the invoices from CCMC and Helm for payment.

131. Defendants made misrepresentations (and omitted to disclose facts they had a duty to disclose) to Plaintiffs, including those enumerated under Plaintiffs' First Cause of Action for fraud, set forth above.

132. The Defendants who made the misrepresentations to Plaintiffs acted as agents for the other Defendants.

133. Defendants owed Plaintiffs a duty of care to see that their statements to Plaintiffs were truthful.

134. Defendants intended for Plaintiffs to rely upon the information they provided to Plaintiffs, and Plaintiffs justifiably relied thereon.

135. Plaintiffs were injured by Defendants' negligent misrepresentations, including without limitation in the manner described under Plaintiffs' First Cause of Action for fraud, set forth above.

FOR A SIXTH CAUSE OF ACTION
(Civil Conspiracy)
(Against Hopkins, Crisman and McAllister)

136. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

137. Hopkins and McAllister engaged in a conspiracy under which Hopkins agreed to cause Plaintiffs to hire and pay Helm in connection with the GP3 and Glassline Projects and, in return, McAllister agreed to cause Helm to pay Hopkins $120,000 and other remuneration.

138. Hopkins and McAllister combined for the purpose of injuring Plaintiffs. Specifically, the conspirators sought to deprive Plaintiffs of funds, conceal their theft within the guise of a legitimate construction contract arrangement and share the ill-gotten gains.

139. Hopkins and McAllister carried their conspiracy into action by means not only of the misrepresentations and omissions alleged in support of Plaintiffs' other state-law causes of action, but also through commission of the following overt acts:

a. Hopkins approved the request for purchasing waiver dated December 3, 2008, in which he falsely justified paying a premium to award Helm the GP3 Contract over lower bidders.

b. After obtaining the Ox-Carb Contract, Helm issued and Hopkins approved – in some cases with no third-party review – three change orders that increased the cost of the contract to $2,702,064, a 53% overrun of the original $1,764,834 budget.

c. In February 2009, two days after Helm submitted Change Order 1 to the GP3 Contract, McAllister and Tryer took Hopkins on an extravagant, all-expense-paid hunting trip to Mexico.

d. In May 2009, Helm submitted an inflated bid for architectural fit-out work for the Ox-Carb Building, which Hopkins approved without third-party review.

e. In May 2009, Hopkins issued an invoice and request for payment from R&H Investments (an entity owned solely by Hopkins) to Helm in the amount of $108,000, ostensibly for "construction management services." The invoice and request for payment in fact represented the conspirators' attempt to disguise Helm's forthcoming payment of 90% of the $120,000 kickback agreed to by the conspirators.

f. On May 15, 2009 – two days after Hopkins approved Helm's Change Order 4 to the Ox-Carb Contract related to the architectural fit-out work – Helm issued check #11650 to R&H Investments in the amount of $108,000, representing payment of 90% of the $120,000 kickback agreed to by Hopkins and McAllister.

g. Hopkins subsequently issued a second request for payment dated October 1, 2009, for the remaining $12,000 of the $120,000 kickback. On February 18, 2010 – after Hopkins had also ensured that Helm was hired for the Glassline Project – Helm issued check #13344 in the amount of $12,000 to R&H Investments.

h. In December 2009, after Hopkins had transitioned to a construction management role for CEM in connection with the Glassline Project, Hopkins caused CEM to award the Glassline Contract to Helm.

140. Hopkins and Crisman engaged in a conspiracy under which Crisman agreed to serve as the ostensible principal of a sham company, CCMC, and Hopkins agreed to cause Plaintiffs to hire and pay CCMC.

141. Hopkins and Crisman combined for the purpose of injuring Plaintiffs. Specifically, the conspirators sought to deprive Plaintiffs of funds, conceal their theft within the guise of a legitimate construction contract arrangement and share the ill-gotten gains.

142. Hopkins and Crisman carried their conspiracy into action by means not only of the misrepresentations and omissions alleged in support of Plaintiffs' other state-law causes of action, but also through commission of the following overt acts:

a. In early 2008, Crisman and Hopkins formed a sham company, CCMC, for the purpose of having Hopkins cause CCF to retain the company for the GP3 Project and subsequently defrauding CCF through the submission of invoices for unnecessary or non-existent services.

b. In February 2008, Crisman and Hopkins filed a name reservation with the South Carolina Secretary of State's office for CCMC, and Hopkins personally applied for and obtained the company's federal employer identification number.

c. Crisman and Hopkins created a phony Scope of Work proposal and quote dated February 12, 2008, in which CCMC offered to provide construction management and other services in connection with the GP3 Project.

d. Hopkins forwarded the proposal via email to Bolt, F&G and CCF procurement. In doing so, Hopkins intended to and in fact did create the impression that he had received the proposal from a legitimate third-party who was qualified to provide the services described in the proposal.

e. After he transitioned to management of the Glassline Project, Hopkins also ensured that CCMC was hired by CEM in connection with that project as well.

f. Hopkins caused Plaintiffs to retain CCMC on these projects despite the fact that he was aware CCMC was not a legal entity, was uninsured, and did not hold a business license or a license to perform construction management services as required by South Carolina and Texas law.

g. Beginning on March 5, 2008, Hopkins and Crisman caused CCMC to invoice CCF $60,000 per month for unnecessary or non-existent services. Several of the CCMC invoices to Plaintiffs apparently originated from Hopkins and were forwarded via email from Hopkins to Crisman.

h. The address for CCMC shown on its invoices, purchase orders and change orders has been identified as a United Parcel Service mailbox located in Greenville, SC, which upon information and belief is owned by Hopkins, not Crisman. Regardless of the ownership, Hopkins indisputably used the same mailbox in connection with his various businesses and in furtherance of other aspects of the scheme. By contrast, the invoices to CCF from CCE, for which Crisman is also a principal, list a company address located in Charleston, where Crisman resides.

i. Hopkins also assisted certain CCMC personnel in preparing their resumes in order to justify Plaintiffs' payment to CCMC for these individuals to appear on site at Plaintiffs' construction projects.

j. Upon receipt of invoices from CCMC, Hopkins either approved the invoices personally or caused them to be approved by others at CCF and/or Hill for payment.

k. Upon information and belief, Hopkins and Crisman and possibly others shared the ill-gotten funds paid by Plaintiffs to CCMC.

143. In addition to the damages alleged in connection with their other causes of action, Plaintiffs have suffered special damages, including but not limited to the following categories, as a result of these conspiracies:

a. Attorneys' fees and costs in connection with the detection and investigation of the conspiracies; and

b. Fees of forensic accountants and fraud investigation services in connection with the detection and investigation of the conspiracies.

FOR AN SEVENTH CAUSE OF ACTION
(Breach of Fiduciary Duty)
(Against Hopkins)

144. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

145. As Plaintiffs' employee and construction manager, Hopkins occupied a special position of trust and confidence and owed Plaintiffs fiduciary duties under South Carolina law, including the duty to disclose conflicts of interest.

146. Hopkins committed egregious abuses of the trust placed in him by Plaintiffs. Such abuses include, without limitation:

a. Creating a shell company, CCMC, for the purpose of defrauding Plaintiffs;

b. Accepting a bribe from McAllister in exchange for causing Plaintiffs to hire Helm and approve its fraudulent payment requests;

c. Causing Plaintiffs to hire CCMC when he knew that it was unlicensed, uninsured and unqualified for the work and that Plaintiffs could have retained qualified contractors for less;

d. Approving invoices and change orders that he knew were inflated or sought payment for unnecessary or non-existent goods and services; and

e. Failing to disclose his past relationships and instant financial dealings with McAllister and Crisman to his superiors at Plaintiffs.

147. As a result of Hopkins' breaches of his fiduciary duties to Plaintiffs, Plaintiffs have suffered damage in an amount to be determined.

FOR A EIGHTH CAUSE OF ACTION
(Aiding and Abetting Breach of Fiduciary Duty)
(Against Crisman, CCE, CCMC, McAllister, & Helm)

148. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

149. Hopkins breached his fiduciary duties to Plaintiffs in the manner described under Plaintiffs' Seventh Cause of Action, above.

150. The other Defendants named above knew that Hopkins was an employee of Plaintiffs and managed their construction projects and that, as such, Hopkins owed fiduciary duties to Plaintiffs.

151. Despite their knowledge of Defendants' duties to Plaintiffs, these Defendants actively encouraged Hopkins to abuse Plaintiffs' trust by committing the acts and omissions described herein and participated in their commission.

152. As a result of these Defendants' aiding and abetting of Hopkins' breaches of his fiduciary duties, Plaintiffs suffered damage in an amount to be determined.

FOR A NINTH CAUSE OF ACTION
(Breach of Contract)
(Against CCMC and Helm)

153. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

154. Plaintiffs entered into construction contracts with CCMC and Helm in connection with the GP3 and Glassline Projects.

155. CCMC and Helm breached those contracts as described herein by submitting inflated invoices for goods and services and by invoicing Plaintiffs for unnecessary or non-existent goods and services.

156. Helm also breached its contracts with Plaintiffs by representing to Plaintiffs via affidavits that it had paid all of its subcontractors for work performed on the GP3 and Glassline Projects when in fact it had not.

157. As a direct result of these Defendants' breaches of contract, Plaintiffs have been damaged in an amount to be determined.

FOR A TENTH CAUSE OF ACTION
(Breach of Contract Accompanied By a Fraudulent Act)
(CCMC and Helm)

158. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

159. Defendants CCMC and Helm breached their contracts with Plaintiffs as described in Plaintiffs' Ninth Cause of Action for breach of contract, above.

160. These Defendants committed the acts and omissions constituting the breaches of contract with an intention to defraud Plaintiffs by bilking them of funds in accordance with the scheme described herein.

161. These Defendants' breaches of contract were accompanied by fraudulent acts in that, between 2007 and 2010, CCMC and Helm submitted false and fraudulent proposals and purchase orders, and inflated invoices and change orders for unnecessary or non-existent goods and services to Plaintiffs and committed the other fraudulent acts described in Plaintiffs' First Cause of Action for fraud, above.

162. As a direct result of these Defendants' breaches of contract and accompanying fraudulent acts, Plaintiffs have been damaged in an amount to be determined.

FOR AN ELEVENTH CAUSE OF ACTION
(Alter Ego)
(Against Hopkins, Crisman, and CCE)

163. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

164. At all times relevant hereto, CCMC was not established as a legal entity. As such, its apparent owners, Crisman and Hopkins are liable for any and all acts and omissions for which CCMC would be liable hereunder.

165. In addition, CCE is liable for any and all acts and omissions for which CCMC would be liable hereunder under an alter ego theory since CCE and CCMC had unity of ownership and agents.

166. Further, upon information and belief, the owners of CCE and CCMC ignored the requirements of corporate formalities in whole or in part and/or failed to keep adequate records of corporate formalities.

167. Upon information and belief, the officers and agents of CCE commingled CCE's funds and property with that of CCMC.

168. Upon information and belief, CCE, by and through their officers and agents, manifested total domination over CCMC to the extent that CCMC manifested no corporate interests of its own and functioned solely to achieve the purposes of CCE.

169. Upon information and belief, the officers and agents of CCE misused this control over CCMC by acting in a self-serving manner in employing CCMC for the sole purpose of defrauding Plaintiffs as described herein.

170. This misuse of control over CCMC by CCE proximately caused harm to Plaintiffs.

171. Further, injustice or fundamental unfairness would result if the assets of CCE are not made available to Plaintiffs.

FOR A TWELFTH CAUSE OF ACTION
(*Quantum Meruit*)
(Against All Defendants)

172. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

173. Upon information and belief, Defendants acquired funds of the Plaintiffs through the submission of inflated invoices and invoices for unnecessary or non-existent goods and services and have retained such funds.

174. Additionally, CCMC has never held a license to perform the services for which Hopkins caused CCMC to be hired, and therefore CCMC was not entitled to payment pursuant to S.C. Code Ann. § 40-11-20.

175. Plaintiffs were also forced to pay at least one of Helm's subcontractors directly for Helm's benefit after Helm failed to pay them, despite having represented to Plaintiffs via affidavit in support of its requests for payment that all subcontractors had been paid.

176. Upon information and belief, Hopkins caused funds that were fraudulently obtained through the scheme alleged herein to be transferred to H&H Construction and R&H Investments.

177. Upon information and belief, Defendants realized the benefit of receipt of Plaintiffs' funds as described herein.

178. Under the circumstances alleged herein, it would be inequitable for Defendants to retain Plaintiffs' funds, and Plaintiffs are entitled to an order requiring Defendants to make restitution to Plaintiffs of any funds received from Plaintiffs or paid by Plaintiffs for Defendants' benefit.

FOR A THIRTEENTH CAUSE OF ACTION
(Accounting)
(Against Helm, CCMC, and CCE)

179. Plaintiffs reallege the prior paragraphs as if repeated verbatim herein.

180. Upon information and belief, Hopkins caused Plaintiffs to pay Helm and CCMC for unnecessary or non-existent services and caused Plaintiffs to pay Helm under a cost-plus contract for costs that Helm did not incur.

181. Helm, CCMC and CCE submitted inadequate documentation and, in most cases, no documentation to support its requests for payment.

182. Consequently, Plaintiffs seek an accounting of all goods and services for which these Defendants invoiced Plaintiffs in connection with the GP3 and Glassline Projects.

WHEREFORE, Plaintiffs pray that this Court grant the following relief:

(a) As to the First, Second, Fifth, Sixth, Seventh, Eighth and Tenth Causes of Action, an order awarding Plaintiffs compensatory and consequential damages in an amount to be determined, and punitive damages;

(b) As to the Third and Fourth Causes of Action, an order awarding Plaintiffs compensatory, consequential, and treble damages, and attorneys’ fees and costs pursuant to the Racketeer Influenced and Corrupt Organizations Act and South Carolina Unfair Trade Practices Act;

(c) As to the Ninth Cause of Action, an order awarding Plaintiffs compensatory, consequential damages, and attorneys' fees and costs (where provided for), in connection with Defendants' breaches of contract;

(d) As to the Eleventh Cause of Action, an order finding that Crisman and CCE be declared liable for all of the acts and omissions for which CCMC would be liable were it a legal entity;

(e) As to the Twelfth and Thirteenth Causes of Action, an order granting Plaintiffs the equitable relief requested;

(f) As to all applicable Causes of Action, an order awarding Plaintiffs the costs and expenses of this suit, prejudgment interests, and attorneys' fees;

(g) For such other and further relief as justice may require.

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